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# Laborers Political League

905 Sixteenth St., N.W., Washington, D.C. 20006 • Phone 202-638-5753 Fax 202-737-2754

#### Administrative Committee

April 17, 1997

MASON M. WARREN
CHUCK BARNES
JACK WILKINSON
GEORGE GUIDGER
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CARL E. BOOKER
BETER J. FOSCO
RAYMOND M., POCINO
TERRENCE M. HEALY
EDWARD SMITH
JAMES C. HALE

Pederal Election Commission 999 E St., N.W. Wash., D.C. 20463

Attention: J. P. Andre

Reports Analyst

Reports Analysis Division

RE: ID No. C00007922

Dear Mr. Andre:

Per your correspondence, dated April 9, 1997, regarding reports dated 10/24/96-11/4/96, 11/26/96-12/31/96, and 3/1/95-3/31/95, attached you will find redesignations with explanations which hopefully will be satisfactory.

Sincerely,

R.P. Vinall Treasurer

**Attachments** 

"Brad Sherman For U.S. Congress" for \$1,000.00, dated 6/3/96, has been redesignated from 1996 General to 1996 Primary Deficit.

"Patsy Mink Campaign Committee" for \$1,000.00, dated 4/4/96, has been redesignated by the <u>Laborers' Western Political</u>
<u>Leaque PAC</u> from the 1996 General to 1996 Primary.

\*Coopersmith For Congress" for \$2,500.00, dated 12/02/96, inadvertently was not checked as the **Special Primary Deficit.** 

"Brad Sherman For U.S. Congress" for \$1,000.00, dated 6/3/96, has been redesignated from 1996 General to 1996 Primary Deficit.

"Lampson For Congress" for \$5,000.00, dated 12/4/96, inadvertently was not checked as the Special General Runoff.

"Jesse Jackson, Jr. For Congress Committee" for \$5,000.00, dated 2/27/95, was inadvertently reported for the 1996 Special General Deficit and should have been the 1995 Special General Deficit.

"Democratic Legislative Campaign Committee" for \$1,000.00, dated 3/3/95, was inadvertently reported on line 23 and should be line 29 (other disbursements). (See attachment).

### PERKINS COIE

TO:

DLCC Contributor

FROM:

Judith L. Corley, Counsel

Democratic Legislative Campaign Committee

Kevin Mack, Executive Director of the Democratic Legislative Campaign Committee ("DLCC"), has requested that we prepare this memorandum to address in general terms questions about the legal basis for the DLCC's solicitation and expenditure of contributions made from sources not lawful under federal law ("nonfederal funds").

While the federal compaign laws generally preclude the use of nonfederal funds in connection with any federal election, I this prohibition does not apply to funds spent to influence the outcome of state or local political campaigns, such as gubernatorial or state legislative campaigns, the financing of which is controlled by the relevant state laws. Some, but not all, states have statutory schemes which allow for the expenditure of corporate or union treasury funds, or both, in connection with state or local campaigns. Other states have contribution limits which are different from those imposed under federal law.

## The DLCC's Nonfederal Program

The DLCC currently engages in activities in connection with which it may accept, under state laws, contributions from various nonfederal sources, including, for example, corporations or labor organizations which draw on general treasury funds for this purpose.\* DLCC also accepts contributions from political action committees registered under the Federal Election Campaign Act, in accordance with the Federal

L 2 U.S.C. § 441b.

<sup>&</sup>lt;sup>2</sup> Even as a nonfederal committee, DLCC is prohibited from accepting contributions from corporations chartered by an act of Congress, national banks and foreign nationals. 2 U.S.C. §§ 441b, 441c.

Election Commission's ruling that PACs may make such contributions to support nonfederal political activity.

The DLCC conducts an active nonfederal program of support for nonfederal electoral candidates, such as candidates for seats in the state legislature in various states, and for nonfederal committees, such as legislative caucus committees in the various states. None of these activities are subject to the financing strictures of the FECA. Accordingly, the DLCC is not registered with the Federal Election Commission.

## Compliance with Relevant State Laws

In administering a nonfederal program, the DLCC has established and currently maintains seven segregated nonfederal accounts to receive contributions and make expenditures for state and local campaigns or other nonfederal purposes. Funds received into nonfederal accounts are segregated strictly by the type of funds involved and used exclusively for nonfederal purposes; no part of these moneys is spent directly or indirectly to support the federal activities in accordance with the requirements of the FECA.

Before making a contribution or undertaking any other activity in a state, the DLCC reviews the provisions of the relevant state law that might apply to its activities in that state. This review includes such issues as whether the state statute contains any prohibitions or source restrictions on certain types of funds, what are the contribution limits, if any, and what are the registration and reporting obligations. DLCC complies in all respects with the requirements of the relevant state law.

## Reporting of Nonfederal Activity

The DLCC, as a nonfederal committee, does not file any reports with the Federal Election Commission. The Committee registers and reports in compliance with any state disclosure law that applies to it because of its activities in that state. In complying with state law, DLCC also monitors whether its use of a particular contribution in that state would cause the contributor to incur a registration or reporting obligation. In California, for example, the use of funds in excess of \$10,000 may expose a contributor to a requirement to file as a major donor. In these cases, DLCC does not use a contributor's funds without the permission of the contributor.

This memorandum summarizes the legal grounds upon which the DLCC will accept, in the cited instances, contributions from nonfederal sources for segregation

<sup>3</sup> Advisory Opinions 1986-27 and 1981-18.

and use in connection with its nonfederal activities. We hope that this discussion is useful, and we would be pleased to answer any other questions you may have.

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### Administrative Committee

April 14, 1997

MASON M. WARREN
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EDWARD SAUTH
JAMES C. HALE

Mr. David Gould, Treasurer "Brad Sherman For U.S. Congress" 555 South Flower Street Suite 4510 Los Angeles, CA 90071

Dear Mr. Gould:

As per our conversation with your office, it is our understanding that contribution dated June 3, 1996 was inadvertently earmarked for the 1996 General and should have been designated for the 1996 Primary Deficit. Attached is a form for your signature so that we may submit same to the Pederal Election Commission.

Thank you.

Sincerely

R. P. Vinall Treasurer

Enc.



## Laborers' Political League

905 Sixteenth St., N.W., Washington, D.C. 20006 • Phone 202-638-5753 April 15, 199202-737-2754

### Administrative Committee

MASON M. WARREN CHUCK BARNES JACK WILKINSON GEORGE GUDGER ARMAND E. SABITON CARL E. BOOKER RAYMOND M. POCINO PETER M. POSCO TERRENCE M. HEALY EDWARD SWITH JAMES C. HALE

> I, R. P. Vinall, being authorized by the Laborers' Political Action League, do hereby give permission to the Brad Sherman For U.S. Congress campaign to re-allocate funds, dated 6/3/96, in the amount of \$1,000.00, originally attributed to the 1996 General to the 1996 Primary Deficit. 1 Please

<u> signature</u>

Treasurer

. ...

Date

4/16/97

"Brad Sherman U.S. Congress" 555 South Flower Street, Suite 4510 Los Angeles, CA 90071

<u> Signature</u>

David L. Could

<u>Title</u>

Treasurer

Date

4-17-97

### Federal Election Commission

# ENVELOPE REPLACEMENT PAGE FOR INCOMING DOCUMENTS

The Commission has added this page to the end of this filing to indicate how it was received.

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<u> </u>	Hand Delivered	DATE OF RECEIPT
		4-22-77 POSTMARKED
	First Class Mail	
	Registered/Certified Mail	POSTMARKED
	No Postmark	
	Postmark Illegible	
	Received from the House Office of Records	DATE OF RECEIPT
<u>1</u>	and Registration	
<u> </u>	Received from the Senate Office of Public	DATE OF RECEIPT
	Records	<u> </u>
	Other (Specify):	POSTMARKED
		and/or DATE OF RECEIPT
frs		4.24-97
PREPARER		DATE PREPARED